

Appendix Tab 5

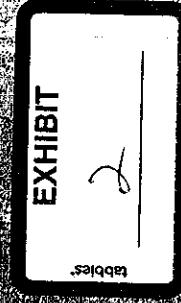
(Deposition Exhibits 2. 3. 4. 89)

Whisman, et al. v. Ford
1:02-CV-406
Defendant's MSJ Appendix

TAB 5



ZF Batavia L.L.C. offers you



11/11/2003 10:07 AM
Batavia OH 45109

The content of this brochure is applicable only to individuals on the active salaried employment rolls of Ford Motor Company who are salaried employees of ZF Batavia L.L.C. during the transition period no later than December 31, 1999.

Retirement:
FORD GENERAL RETIREMENT PLAN BENEFITS
Employees immediately eligible to retire: Employees who are eligible to retire immediately from the Ford General Retirement Plan (GRP) and who receive an offer of immediate employment by ZF Batavia, may elect to begin GRP benefit payments and also accept employment with ZF Batavia. Otherwise an employee may not in the future begin benefit payment from the GRP until they have separated employment from ZF Batavia.

Employees Not Immediately Eligible to Retire: If you have
• at least 5 years of credited service¹ at the date of your termination from Ford or Ford Credit; and
• accept an offer of ZF Batavia employment before December 31, 1999; and
• remain employed by ZF Batavia until your age and combined GRP and ZF Batavia retirement plan service meet the GRP requirements for retirement eligibility;
you will be eligible for a regular early (not disability) or normal retirement benefit under the GRP.

If you meet these "grow-in" requirements you will be eligible to receive from the GRP a benefit:
• based on your accrued years of GRP credited service at time your employment termination from Ford or Ford Credit; service with ZF Batavia will count for eligibility for GRP benefits, but will not count in computing the amount of GRP benefit;
• using noncontributory benefits rates in effect at the time of retirement;
• using a final average salary calculation under the contributory terms of the plan related to base salaries paid at Ford and ZF Batavia as necessary;
• Supplement calculated on a pro-rata basis (e.g., 10 years GRP credited service, 25 years continuous ZF Batavia service generates 10/30th's of the GRP 30 and Out supplement).
If you do not meet the grow-in requirements or do not have 5 years of credited service at the date of your employment termination from Ford or Ford Credit you will be eligible for a deferred vested benefit from the GRP.

ZF BATAVIA WILL SUPPLEMENT
the Ford pension with a
ZF BATAVIA DEFINED CONTRIBUTION PLAN (PROFIT SHARING PLAN)
ZF Batavia will contribute annually a percentage of your base salary toward your retirement. You will direct these monies into investments you choose from Fidelity

ADDITIONALLY: You will be eligible for
POST RETIREMENT HEALTH AND LIFE INSURANCE
If as a ZF Batavia employee you grow-into a regular early or normal retirement (as described above) and have at least ten years of combined credited service at the time of your retirement directly from ZF Batavia, you will be eligible for post retirement health and life insurance under the Ford salaried programs to the same extent that these programs are available to Ford salaried employees retiring at the time you retire.

Employees not eligible for grow-in for retirement, who fail to meet the grow-in requirements (and have 10 year's credited service) are not eligible for Ford post retirement health and life insurance benefits.

And to address any financial differences, ZF Batavia will give you a

TRANSITION BONUS:
Paid out over 3 years, one third each year.
¹Under the Ford General Retirement Plan or another primary retirement plan sponsored by a Ford subsidiary

Competitive Compensation:

SALARY

Base salary starting at your current Ford Salary.
Broad banding replaces salary grades.
Authorized overtime will be paid.
Paychecks will be issued twice monthly

ANNUAL INCENTIVE PLAN:

Reward program based on ZF Batavia's success determined by product quality, timing and delivery of new and existing products and profitability.

MERIT INCREASE PROGRAM:

A merit program is established and the amount will be announced annually.

Benefits:

MEDICAL

UNITED HEALTH CARE (HMO)

Network: No deductible, \$10 Physician co-pay, 100% hospital; Emergency Room \$50 co-pay unlimited lifetime maximum

Non-network: \$300/600 deductible, 80% coinsurance, \$2000/4000 out-of-pocket maximum, \$1million lifetime maximum

Prescription Drug Coverage:

\$5 Generic; \$10 Brand / non-formulary \$25.

Dental:

UNICARE PPO:

Network: \$50/100 deductible; Preventive @ 100%; Basic @ 90%; Major @ 60%; Orthodontia @ 60% with a \$1500 life time maximum.

Non-network: \$50/100 deductible; Preventive @ 80%; Basic @ 60%; Major @ 40%; Orthodontia @ 60% with \$1500 lifetime.

Combined network/non-network:

\$1500 annual maximum.

Medical/Dental Employee Contribution Rates (monthly)

Single \$13.00

Employee/Spouse \$28.00

Employee/child(ren) \$24.00

Family \$35.00

Sponsored Dependent Rider (per rider) \$170.00

Opt out annual allowance for medical and dental: \$1284

Flexible Spending Accounts (Pre Tax):

Health Care Reimbursement Account (HCRA): up to \$3500
Dependent Care Reimbursement Account (DCRA): up to \$5000

Life Insurance:

EMPLOYEE

Basic employer provided 1.5 x base salary coverage
Optional, employee paid, 1x to 3x base salary additional up to \$1,000,000 combined maximum.
Optional, employee paid, coverage for spouse \$10,000 or \$20,000 available and for each child(ren) \$5,000 or \$10,000.

Accidental Death and Dismemberment:

EMPLOYEE

Basic employer provided 1.5 x base salary coverage.
Optional, employee paid, coverage in \$50,000 increments up to \$500,000

DEPENDENT:

Optional, employee paid, coverage for spouse 50% of employee amount, and for each child 10% of employee amount.

DISABILITY:

Employer provided salary continuation for first 5 working days, 60% of base salary up to weekly maximum of \$1300 for 26 week duration. **Long Term:** (benefit begins after 180 day period) 60% of base salary up to a monthly maximum of \$5200 up to age 65

FORD MONEY MARKET: will continue to be available

TUITION REIMBURSEMENT: (passing grade required)
Courses related to present position. Tuition plus 50% of books/materials up to \$500 per academic year (\$250 per semester)

VACATION

Retention of current vacation status

Accumulate up to 4 weeks of vacation based on the following schedule:

After 1 year 1 week

After 2 years but less than 5 years 2 weeks

After 5 but less than 15 years 3 weeks

15 years plus 4 weeks

Option to buy or sell 5 days of vacation.

HOLIDAYS:

Paid holidays consistent with ZF Batavia hourly employees

LEAVES:

Funeral: up to a three-day leave, at regular salary. For immediate family members

Personal or sick: up to 5 days may be used for sick (such as cold, flu, etc.) or personal (such as attending a house closing, care for a sick child, parent, voting, etc.) approved by your supervisor. There is no carryover of these unused days.

Jury Duty: ZF Batavia recognizes an employee's civic obligation to serve on a jury. Regular salary less jury duty payments will be provided.

Maternity: In most cases, the leave period is between six weeks and three months and includes time before and after the birth. Benefit payments are available under the disability plan as certified/authorized by the attending physician.

Military: Employees who leave their job to serve in the armed forces retain their service and all rights and benefits based on service under the Uniformed Services Employment and Reemployment Act of 1994 (USERRA).

FAMILY: Up to 12 weeks of unpaid leave per year may be taken by eligible employees for the birth or adoption of a child or to care for the newborn infant during the first year of life. Also, the serious health condition of either the employee or certain family members may allow the employee to a family leave under the Family and Medical Leave Act of 1993.

401 (k) SAVINGS PLAN

ZF Batavia will contribute 2% of your base salary in your behalf regardless of your participation AND If you should contribute, ZF Batavia will match your contributions 50 cents for each dollar you contribute on the first 6% of your base salary. In 1999 only, ZF Batavia will provide a 3% gain sharing contribution.

The plan will include loan and withdrawal features and will be established through the transfer of your current Ford 401 (k) plan. You will have 30-days during which you may select from the following Fidelity Funds:

Fidelity Fidelity Puritan
Fidelity Freedom 2030 Fidelity Freedom Income
Blue Chip Growth Fidelity Spartan U.S. Eq. Idx.
Fidelity Diversified Intl. Fidelity U.S. Bond Index
Fidelity Dividend Growth Fidelity Freedom 2000
Fidelity Equity-Income Fidelity Freedom 2010
Fidelity OTC Fidelity Freedom 2020

Ford Stock will not be retained as an option

This brochure includes only the "key features" of the ZF Batavia Benefits plans as applicable to active Ford employees leaving Ford employment to become a ZF Batavia employee. If any conflict arises between the information in this brochure and the terms of the actual plan documents, Summary Plan Descriptions (SPDs) or other applicable documents will govern in all cases. Plans described here are subject to change.

Plan provisions and eligibility do not constitute an employment contract with any individual.

Summary Plan Descriptions will be distributed to all participants.



ZF BATAVIA LLC

1981 Frontwheel Drive
Batavia, Ohio 45103

000031

NOV 30, 1999
~~May 17, 1999~~

Dear Mr. Whisman:

We are pleased to extend to you an offer of employment with ZF Batavia, LLC.

Your starting salary with ZF Batavia, LLC will be \$5,450 per month, plus the comprehensive employee benefits program which has been developed for former Ford employees joining the ZF Batavia team (summary attached). Your classification will be **Maintenance Group Leader**.

In addition, we are offering you the following additional payments in recognition of your decision to leave your active Ford employment and become a ZF Batavia salaried employee:

- A one-time signing bonus payment of \$750 payable immediately upon your employment with ZF Batavia.
- A transition bonus of \$25,000 payable in three (3) equal installments of \$8,333.33 which will be paid to former Ford salaried employees who are at work and on the ZF Batavia LLC active salaried employment rolls during the first pay period of the years 2000, 2001 and 2002. This bonus is designed to address any monetary differences between Ford benefits and ZF Batavia's new plan.

You are scheduled to start your ZF Batavia employment on ~~July 19, 1999~~ December 1, 1999. You should report to the Salaried Personnel Office prior to that date to commence the employment process.

Please confirm your acceptance of this offer by initialing the "Accept" box below, signing and dating this letter and returning it to the Salaried Personnel Office by ~~June 14, 1999~~ 12/1/99.

On behalf of the ZF Batavia team, welcome. We look forward to working with you as we develop ZF Batavia into the world's leading transmission manufacturing company.

Sincerely,

☒ Accept

☐ Decline

Signature

Date

EXHIBIT

tabbles

3

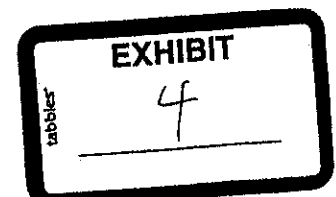
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MEETING HELD
MAY 27, 1999
FOR
FORD TRANSITIONAL EMPLOYEES
GIVEN
AT
ZF BATAVIA, L.L.C., CAFETERIA

PRESENTERS:

Karl Kehr, ZF Batavia, L.L.C.
Tony Deshaw, ZF Batavia, L.L.C.
Connie Carlson, United Health Care
D. Glennings, Hartford

Lee Mezza, Ford Motor Company
Charlie Corbet, Ford Motor Company
Cary Jennings, Unicare
John Kahle, Fidelity



Agenda

| | | |
|------------------------------|---|---------------|
| 8:30 A.M. | Welcome, Introductions — Karl Kehr | |
| 8:35 A.M. | Salary Compensation — Karl Kehr | 000001 |
| | Starting Salary — Karl Kehr | |
| | Vehicle Program — Karl Kehr | |
| | Authorized Overtime — Tony Deshaw | |
| | Annual Incentive Plan — Tony Deshaw | |
| | Annual Incentive Plan Objectives — Mark Bugajski | |
| 8:50 A.M. | Merit Increase Program — Karl Kehr | |
| 9:00 A.M. | United Health Care — MEDICAL | |
| 9:15 A.M. | Unicare — DENTAL | |
| 9:30 A.M. | Hartford — life, dependent life, AD & D, disability | |
| 9:45 A.M. | Flexible Spending Accounts (HCRA/DCRA); | |
| | Tuition Reimbursement, Vacation — Tony Deshaw | |
| 10:00 A.M. | 401(k) Plan — Tony Deshaw & John Kahle, Fidelity | |
| 10:15 A.M. | Retirement & Defined Contribution Plan — Lee Mezza & Karl Kehr | |
| 11:00 A.M. | LUNCH | |
| 11:30 A.M - 3:00 P.M. | Break out for individual Q & As | |

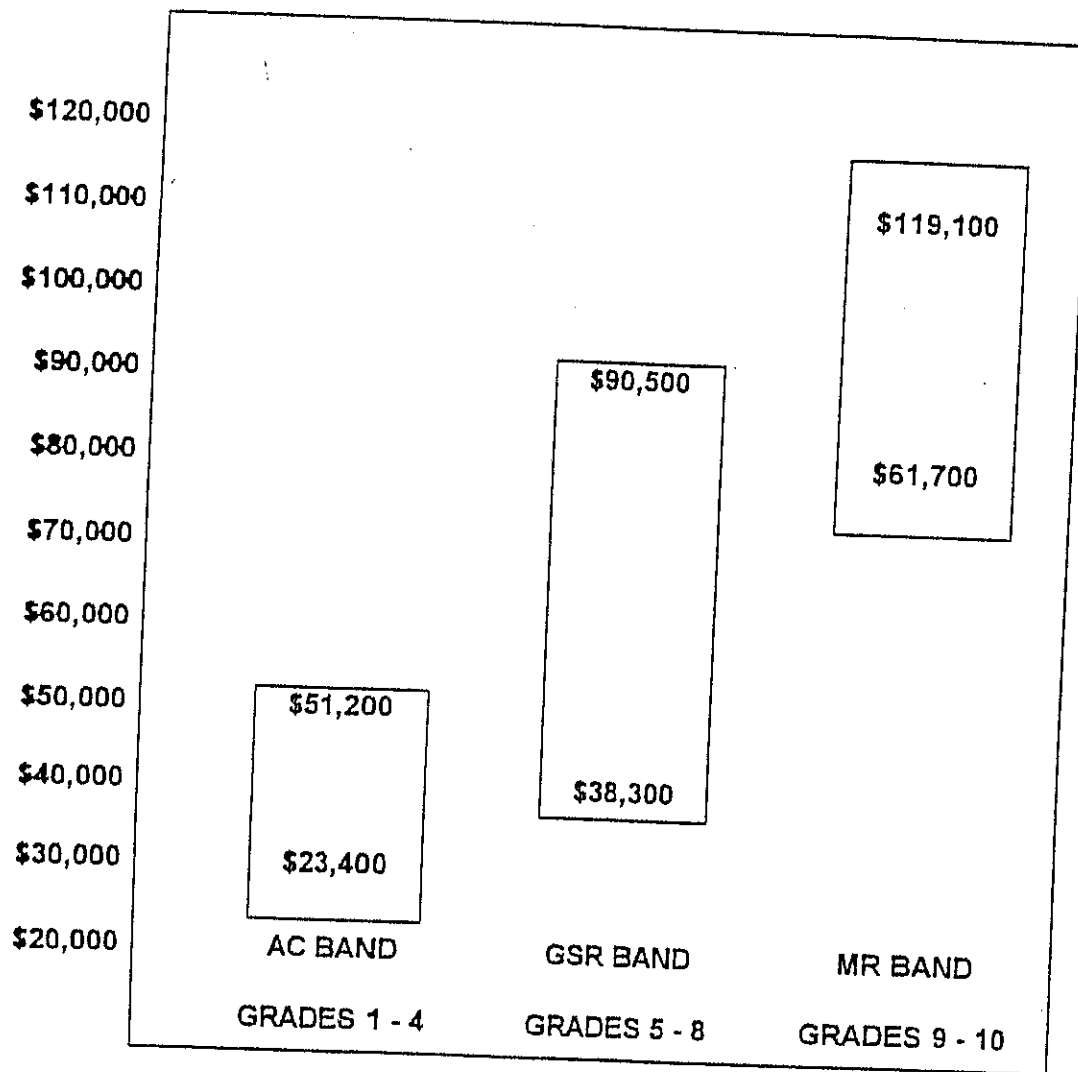
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Agenda

- 2:00 - 3:00 P.M. Welcome, Introductions — Karl Kehr
RETIREMENT & DEFINED CONTRIBUTION PLANS
— Lee Mezza & Karl Kehr
- 3:00 P.M. Salary Compensation — Karl Kehr
Starting Salary — Karl Kehr
Vehicle Program — Karl Kehr
Authorized Overtime — Tony Deshaw
Annual Incentive Plan — Tony Deshaw
Annual Incentive Plan Objectives — Mark Bugajski
- 3:15 P.M. Merit Increase Program — Karl Kehr
- 3:30 P.M. United Health Care — MEDICAL
- 3:45 P.M.. Unicare — DENTAL
- 4:00 P.M. Hartford — life, dependent life, AD & D, disability
- 4:15 P.M. Flexible Spending Accounts (HCRA/DCRA); Tuition
Reimbursement, Vacation — Tony Deshaw
- 4:30 P.M. 401(k) Plan — Tony Deshaw & John Kahle, Fidelity
- 4:45 P.M. BREAK
- 5:30 - 7:30 P.M. Break out for individual Q & As

000003

FORD TRANSITIONAL EMPLOYEE BASE SALARY BANDS



000004

**ZF BATAVIA, L.L.C.
Vehicle Programs**

| Program | Availability |
|---|---|
| <ul style="list-style-type: none"> • Ford Evaluation "Lease" Cars: | <ul style="list-style-type: none"> • Lease vehicles must be surrendered on or before the employee's termination date with Ford. Projected termination date for those accepting offers is July 17, 1999. • Lease vehicles are not available after termination of employment with Ford. |
| <ul style="list-style-type: none"> • "B Plan" Purchases: | <ul style="list-style-type: none"> • Employees purchasing "lease" vehicles under the "B Plan" must do so on or before the employee's termination date with Ford. • The "B Plan" will not be available after termination of employment with Ford. |
| <ul style="list-style-type: none"> • "A Plan" Purchases: | <ul style="list-style-type: none"> • Purchases must be approved on or before December 31, 2000. |

000005

ZF BATAVIA, L.L.C. Vehicle Programs

| Program | Availability |
|---|---|
| <ul style="list-style-type: none"> • "X Plan" Purchases: | <ul style="list-style-type: none"> • Purchases will be available to both hourly and salaried employees who are not eligible for the "A Plan", until Ford decides otherwise. |
| <ul style="list-style-type: none"> • "Z Plan" Purchases: | <ul style="list-style-type: none"> • Purchases will be available to transition employees who retire from ZF Batavia under the Ford retirement "grow-in" provisions (i.e., receive Ford pension and post-retirement health and life). |

000006

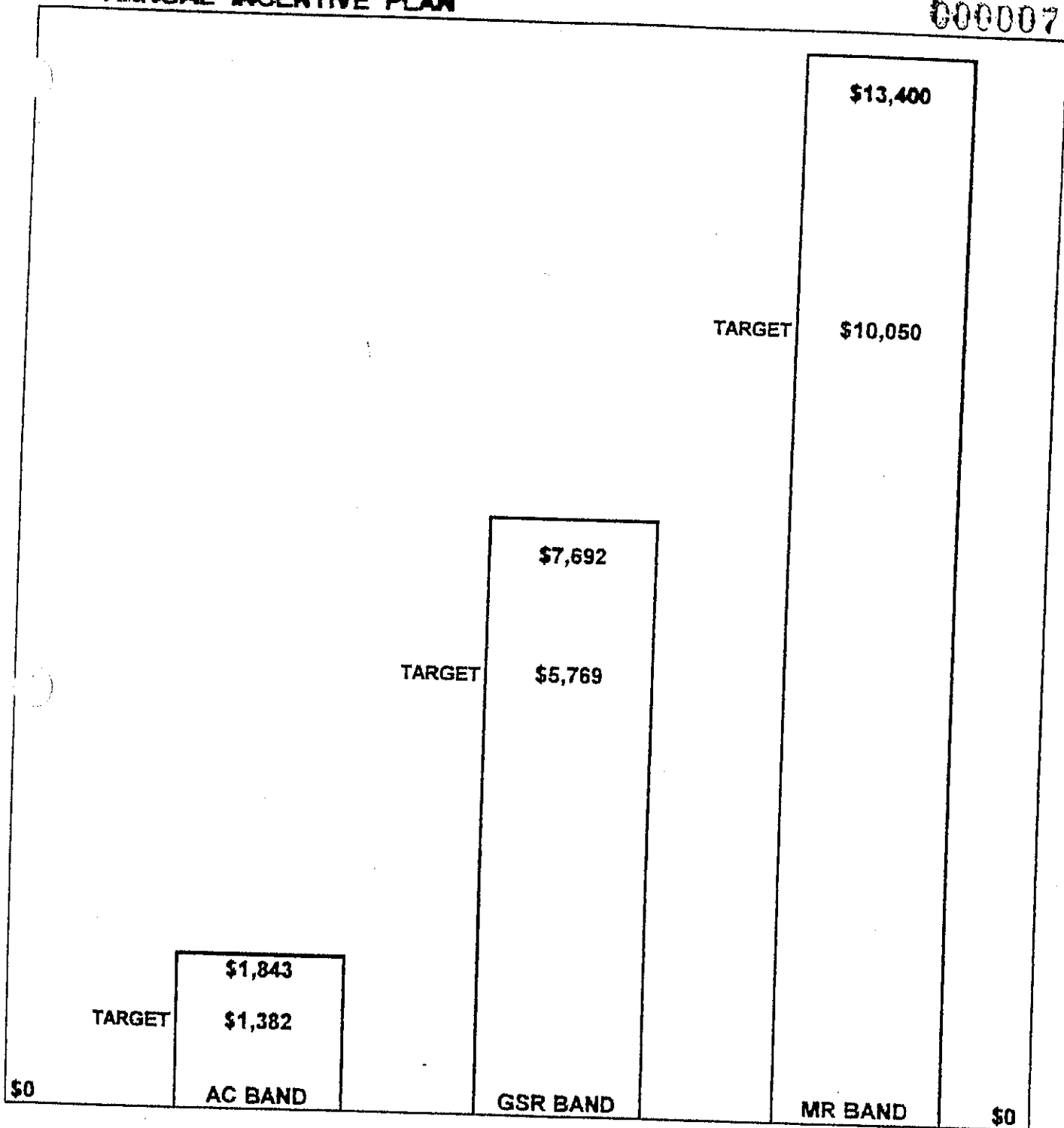
**ZF BATAVIA
OVERTIME RATES
FOR
SALARIED EMPLOYEES**

| Regular Overtime | ZF BATAVIA POLICY | |
|-----------------------------|-----------------------------|------------------------------|
| MONTHLY SALARY | UNDER \$4,100 | TIME AND ONE-HALF |
| MONTHLY SALARY | \$4,100 AND OVER | \$35.48 |

| SUNDAYS & HOLIDAYS | | |
|-------------------------------|-----------------------------|------------------------|
| MONTHLY SALARY | UNDER \$4,100 | DOUBLE TIME |
| MONTHLY SALARY | \$4,100 AND OVER | \$47.31 |

FORD TRANSITIONAL EMPLOYEES**ANNUAL INCENTIVE PLAN**

000007



| | |
|------------------|------|
| MAX % OF BASE | 3.6% |
| TARGET % OF BASE | 2.7% |

| |
|------|
| 8.5% |
| 6.4% |

| |
|-------|
| 11.3% |
| 8.4% |

| | |
|---|------|
| MEMO: FORD HISTORICAL PROFIT SHARING % OF | 5.4% |
|---|------|

5.4%

5.4%

PRELIMINARY

ZF Batavia
1999 Objectives

000008

Safety

- Achieve first time occupation visit objective of 43.5.
- Achieve lost time case objective of 1.0.
- Achieve severity rate objective of 12.8.

Quality

- Achieve warranty cost per unit objective of \$1.66 and \$3.32 at 1 and 3 months in service, respectively.
- Achieve assembly plant pull objective of 250/Million
- Implement internal PPM process by end of 3Q.
- Conduct quality audit of each manufacturing line, along with group leader verification of compliance.

PRELIMINARY

ZF Batavia
1999 Objectives

000009

Delivery

- Achieve 95% of scheduled production.
- Achieve 100% of FCSD service part requirements.
- Achieve premium freight cost per unit target of \$2.12 (assuming forecast volume of 317.9K).
- Obtain approval of initial CVT funding from parent company BODs - place initial orders of CVT equipment.
- Delivery of CVT customer prototypes on time.

Cost

- Achieve average year total cost objective of \$1099/unit for CD4E (plant operating cost - \$542, material - \$557), and achieve total business after tax ROS of 4.4% (with \$1233 price).

Initiatives

- ISO 9000 Re-certification
- ISO 14000 Re-certification
- Heat System Survey (achieve 195 points)

000010

☛ **FLEXIBLE SPENDING ACCOUNTS
(HCRA/DCRA) NOT THE SAME AS
FLEX DOLLARS**

- The pre-tax dollars you set aside in the HCRA cannot by Federal Law be used to pay any health insurance premium.

☛ **TUITION REIMBURSEMENT — BOTH
GRADUATE/UNDERGRADUATE —**

- The Controller's office determines relationship to present position. Note: if you are pursuing an undergraduate/graduate degree and a requisite course (e.g. physical education) is required as part of the program, the course is considered "job related." However, if you take "pottery" because you enjoy making ceramic items, it is not considered "job related".

- ☹ If graduate course is reimbursed — reimbursement is taxable per IRS.

☛ **VACATION:**

ZF Batavia 401(K) SAVINGS PLAN 000011

- ☛ **PRE-TAX:** You can contribute from 1% to 15% of your salary.
- ☛ **POST-TAX:** You can contribute up to 10%.
- ☛ Your Ford SSIP will be **FULLY VESTED** and you will be **IMMEDIATELY VESTED** in the ZF Batavia Savings Plan.
- ☛ John Kahle, Fidelity will present the investment funds to you...

000012

VACATION:

- **Your vacation eligibility is determined by your ORIGINAL DATE OF HIRE WITH FORD.**
- **You keep what you earned at Ford, however, IF YOU HAVE 1, 2, or 3 weeks with Ford you will be able to attain a maximum of 4 weeks with ZF Batavia.**
- **If you have 5 weeks, or will attain your 5th week by DECEMBER 31, 1999, while working as a ZF Batavia employee, you will be given the 5th.**

ZF BATAVIA
DEFINED CONTRIBUTION PLAN
"RETIREMENT SAVINGS PLAN"

000013

**If you transition from Ford active employment to
BECOME
a ZF ACTIVE EMPLOYEE:**

- **Your retirement savings will now be funded by a "combination" of Ford GRP and the ZF Batavia Defined Contribution Plan.**
- **The ZF Batavia retirement savings plan will "supplement" your benefit from the GRP.**

It is important to know:

- **If you have more than 5 years of credited service with Ford and are a contributory member, the GRP will count your future salary increases with ZF Batavia towards your pension from the GRP.**
- **If you have more than 5 years of credited service with Ford, the GRP will increase your Flat-Rate benefit under the GRP in concert with any potential increases awarded by Ford to active employees.**
- **The Ford GRP will not credit you with your years of service with ZF Batavia for purposes of determining your Ford pension benefit.**

- **HOW DOES THE ZF BATAVIA
"SUPPLEMENT WORK?"** 000014
- **ZF BATAVIA WILL MAKE ANNUAL
EMPLOYER CONTRIBUTIONS TO YOUR
FIDELITY ACCOUNT ON BEHALF OF FORD
TRANSITION EMPLOYEES.**
- **THE CONTRIBUTION MADE WILL DEPEND ON
YOUR AGE AS OF EACH JANUARY 1
AND
ON YOUR GRP CONTRIBUTORY STATUS.**
- **ZF BATAVIA INTENDS TO MAKE
CONTRIBUTIONS BASED ON THE FOLLOWING
CHART:**

000015

| Your Age as of January 1 | Employees who elected to make 1.5% of salary contributions to the Ford GRP throughout 1999 (The greater of Percentage of Pay Table or Dollar Formula Table) | Employees who elected not to make 1.5 of salary contributions to the Ford GR throughout 1999 |
|--------------------------|---|--|
| | Percentage of Pay Table (Base Salary as of January 1) | Dollar Formula Table |
| 25-29 | 1.25% of pay | |
| 30-33 | 1.50% | \$ 800 |
| 34 | 1.50% | \$ 800 |
| 35 | 1.75% | \$ 900 |
| 36 | 2.00% | \$ 1,000 |
| 37 | 2.25% | \$ 1,100 |
| 38 | 2.50% | \$ 1,200 |
| 39 | 2.75% | \$ 1,300 |
| 40 | 3.00% | \$ 1,400 |
| 41 | 3.25% | \$ 1,500 |
| 42 | 3.50% | \$ 1,600 |
| 43 | 3.75% | \$ 1,700 |
| 44 | 4.00% | \$ 1,800 |
| 45 | 4.25% | \$ 1,900 |
| 46 | 4.50% | \$ 2,000 |
| 47 | 4.75% | \$ 2,100 |
| 48 | 5.00% | \$ 2,200 |
| 49 | 5.25% | \$ 2,300 |
| 50 | 5.75% | \$ 2,400 |
| 51 | 6.25% | \$ 2,500 |
| 52 | 6.75% | \$ 2,600 |
| 53 | 7.25% | \$ 2,700 |
| 54 | 7.75% | \$ 2,800 |
| 55 | 8.25% | \$ 2,900 |
| 56 | 8.75% | \$ 3,000 |
| 57 | 9.0% | \$ 3,100 |
| 58 | 9.25% | \$ 3,200 |
| 59 | 9.5% | \$ 3,300 |
| 60 | 9.5% | \$ 3,400 |
| 61 | 9.5% | \$ 3,500 |
| 62 | 9.5% | \$ 3,600 |
| 63 | 9.5% | \$ 3,700 |
| 64+ | 9.5% | \$ 3,800 |
| | | \$ 3,900 |

000016

Comparison of Age 65 Retirement Benefits:

Ford GRP vs. ZF Batavia Retirement Benefit for Transferred Employees

Name: Mr. Transfer
Date of Birth: 01/01/1945
Date of Hire: 01/01/1980
Retirement Date: 01/01/2010

| | Benefit Expressed as a Single Value at Age 65 | Benefit Expressed as an Annual Pension at Age 65 |
|---|--|---|
| Estimated Foregone Ford GRP Benefit if Accept Offer with ZF Batavia: | \$ 102,479 | \$ 11,469 |
| Estimated Future ZF Batavia Benefit (Defined Contribution Plan Only): | \$ 93,941 | \$ 10,513 |
| Additional Retirement Savings from no longer contributing 1.5% of pay: | <u>15,631</u> | <u>1,749</u> |
| Total Value of ZF Batavia Defined Contribution Plan plus 1.5% Savings: | \$ 109,572 | \$ 12,262 |
| Increase/(Decrease) | \$ 7,093 | \$ 793 |
| Projected Ford GRP Grow-In Benefit at Retirement (age 65): | | |
| Projected ZF Batavia Defined Contribution Plan Benefit at Retirement (age 65)*: | | \$ 19,874 |
| Total Projected Retirement Benefit at Retirement (age 65)*: | | <u>10,513</u> |
| | | \$ 30,387 |

* Excludes Estimated Future Value of 1.5% Contribution Savings

000017

NOTICE TO FORD SSIP PARTICIPANTS

Many of you, while considering the offer from ZF Batavia, L.L.C., have inquired about your "Ford Stock" and if you must liquidate it to take employment with ZF Batavia, L.L.C.

Under the Ford SSIP, you have the opportunity
– AT ANY TIME WHILE IN ACTIVE SERVICE AS A FORD EMPLOYEE AND
PRIOR TO TERMINATION OF EMPLOYMENT FROM FORD MOTOR
COMPANY –
to withdraw your VESTED EMPLOYER MATCH BALANCE, including interest
and dividends and PLACE THESE DOLLARS IN AN "IRA" WITH SOME
POPULAR INVESTMENT FIRM such as Paine Webber, Scudder, Fidelity, etc.
without tax or penalty.

Include in your request that you want FORD STOCK CERTIFICATES. There may
be some transaction fees that you will have to pay.

You can make this transfer, and IT MUST BE DONE PRIOR TO TAKING
EMPLOYMENT WITH ZF BATAVIA, L.L.C. and/or RETIREMENT FROM
FORD MOTOR COMPANY,

by calling the FIDELITY, FORD SSIP,

1 - 800 - 544 - 3333

and talk with the Fidelity representative.

**Note: You will have to read a "Special Tax Notice" regarding plan
payments (it is on the web or you can request a copy of the
notice from Fidelity) before the representative will refer you to a
Retirement Specialist
to complete the transaction.**

If you accept employment with ZF Batavia, L.L.C. and/or retire from Ford and
become a ZF Batavia, L.L.C. employee AND have not taken advantage of the IRA
opportunity, your Ford Stock in its entirety will be liquidated and be available to be
placed, at your option, in the ZF Batavia Savings Retirement Plan Fidelity
Investment Funds.

000018

Ford Historical Profit Sharing

| <u>Year Paid</u> | <u>Year Earned</u> | <u>%</u> |
|----------------------|------------------------|---------------|
| 1999 | 1998 | 12.85% |
| 1998 | 1997 | 9.66% |
| 1997 | 1996 | 3.92% |
| 1996 | 1995 | 3.83% |
| 1995 | 1994 | 8.71% |
| 1994 | 1993 | 3.29% |
| 1993 | 1992 | 0.00% |
| 1992 | 1991 | 0.00% |
| 1991 | 1990 | 0.00% |
| 1990 | 1989 | 2.82% |
| 1989 | 1988 | 7.82% |
| 1988 | 1987 | <u>11.29%</u> |
| Avg | | 5.35% |

000019

Comparison of Age 65 Retirement Benefits:

Ford GRP vs. ZF Batavia Retirement Benefit for Transferred Employees

Name: Mr. Transfer
 Date of Birth: 01/01/1945
 Date of Hire: 01/01/1980
 Retirement Date: 01/01/2010

| | Benefit Expressed as a Single Value at Age 65 | Benefit Expressed as an Annual Pension at Age 65 |
|---|--|---|
| Estimated Foregone Ford GRP Benefit if Accept Offer with ZF Batavia: | \$ 102,479 | \$ 11,469 |
| Estimated Future ZF Batavia Benefit (Defined Contribution Plan Only): | \$ 93,941 | \$ 10,513 |
| Additional Retirement Savings from no longer contributing 1.5% of pay: | <u>15,631</u> | <u>1,749</u> |
| Total Value of ZF Batavia Defined Contribution Plan plus 1.5% Savings: | \$ 109,572 | \$ 12,262 |
| Increase/(Decrease) | \$ 7,093 | \$ 793 |
| Projected Ford GRP Grow-in Benefit at Retirement (age 65): | | \$ 19,874 |
| Projected ZF Batavia Defined Contribution Plan Benefit at Retirement (age 65)*: | | <u>10,513</u> |
| Total Projected Retirement Benefit at Retirement (age 65): | | \$ 30,387 |

* Excludes Estimated Future Value of 1.5% Contribution Savings

000020

Comparison of Age 65 Retirement Benefits:

Ford GRP vs. ZF Batavia Retirement Benefit for Transferred Employees

| | | | |
|---|---------------------|--|---|
| Name: | Mr. Transfer | | |
| Date of Birth: | 01/01/1945 | | |
| Date of Hire: | 01/01/1980 | | |
| Retirement Date: | 01/01/2010 | | |
| | | Benefit Expressed as a Single Value at Age 65 | Benefit Expressed as an Annual Pension at Age 65 |
| Estimated Foregone Ford GRP Benefit If Accept Offer with ZF Batavia: | | \$ 102,479 | \$ 11,469 |
| Estimated Future ZF Batavia Benefit (Defined Contribution Plan Only): | | \$ 93,941 | \$ 10,513 |
| Additional Retirement Savings from no longer contributing 1.5% of pay: | | <u>15,631</u> | <u>1,749</u> |
| Total Value of ZF Batavia Defined Contribution Plan plus 1.5% Savings: | | \$ 109,572 | \$ 12,262 |
| | Increase/(Decrease) | \$ 7,093 | \$ 793 |
| Projected Ford GRP Grow-in Benefit at Retirement (age 65): | | | \$ 19,874 |
| Projected ZF Batavia Defined Contribution Plan Benefit at Retirement (age 65)*: | | | <u>10,513</u> |
| Total Projected Retirement Benefit at Retirement (age 65): | | | \$ 30,387 |
| * Excludes Estimated Future Value of 1.5% Contribution Savings | | | |

Ervin Rick - NAO P-Batavia

From: Taylor, Karen (K.E.) [ktaylo34@ford.com]
Sent: Wednesday, January 22, 2003 2:22 PM
To: Ervin, Rick (R.D.); 'len.sennish@zf.com'
Subject: FW: ZF Batavia Rtmt: Rick Ervin

Hi, guys; here is the final word on retiring from Ford. Hope this puts to rest any questions.

Karen Taylor
HR-Associate-Retirement, Employee Records & Insurance
NESC
Fax: (313) 337-1200

-----Original Message-----

From: Gorichan, Bonnie (B. S.)
Sent: Friday, January 17, 2003 4:00 PM
To: Kehr, Karl (K. S.)
Subject: RE: ZF Batavia Rtmt: Rick Ervin

EXHIBIT

89 8.5.03
AMB

Nice to hear from you again.

I checked the Transition Agreement and the GRP. Both are clear that an employee who accepted an offer from ZF Batavia and transferred and who had a right to grow-into a Ford retirement benefit, has to separate employment from ZF Batavia prior to commencing a GRP benefit. This means an effective separation from service. Someone cannot terminate from ZF one day for purposes of starting the GRP benefit and then rehire the next day. We generally require at least a six month break between reemployment at the same Company. We have this rule because of an IRS requirement that says when a person essentially stays in the same type of job before and after the transaction and the employers simply changed, there was not a real severance from employment that permits you to start a retirement distribution. It is known as the "same-desk" rule. A plan can be amended to say this rule does not apply, but that was not the choice we made in designing the ZF arrangements, except as describe! d below.

We did amend the GRP to provide that if a person was retirement eligible at the time of the deal, they could retire directly from Ford, commence the GRP benefit and be rehired at ZF. Those types of people forfeited any type of special arrangements that we made for the "Transferred Employees", because they could get the value of their GRP retirement benefit while they worked for ZF Batavia, so they did not need the transition protections.

I hope this better explains the situation. The bottom line is this person cannot retire and work for ZF at the same time.

000262

-----Original Message-----

From: Kehr Karl - NAO P-Batavia [mailto:Karl.Kehr@zf.com]
Sent: Wednesday, January 15, 2003 10:18 AM
To: 'bgoricha@ford.com'
Subject: FW: ZF Batavia Rtmt: Rick Ervin

This is the subject of my voice mail. Please call me.

-----Original Message-----

From: Sennish Len - NAO P-Batavia
Sent: Monday, January 13, 2003 7:31 PM
To: Kehr Karl - NAO P-Batavia
Subject: FW: ZF Batavia Rtmt: Rick Ervin

Karl - Per our discussion.

Len Sennish
Director Human Resources
ZF Batavia, LLC
Phone: 513 . 732 . 4010
Cell: 513 . 200 . 0649
e-mail: len.sennish@zf.com

-----Original Message-----

From: Kramer, Ronald (R.R.) [mailto:rkramel0@ford.com]
Sent: Tuesday, December 10, 2002 9:45 AM
To: 'len.sennish@zf.com'
Subject: FW: ZF Batavia Rtmt: Rick Ervin

Len - to receive a GRP benefit the employee must separate from service with ZF Batavia. If the employee (retiree) is hired back at a later date in some capacity with ZF that is up to you.

-----Original Message-----

From: Taylor, Karen (K.E.)
Sent: Monday, December 09, 2002 7:07 AM
To: Kramer, Ronald (R.R.)
Subject: FW: ZF Batavia Rtmt: Rick Ervin

000263

Ron, this ZF Batavia employee is being told he does not need to terminate from ZF Batavia in order to start Ford retirement benefits. We are telling him he does, but what he does after is not Ford's business. Can you clarify or let Len know this employee has to have a ZF termination? Thank you.

Karen Taylor
HR-Associate-Retirement, Employee Records & Insurance
NESC
Fax: (313) 337-1200

-----Original Message-----

From: Ervin Rick - NAO P-Batavia [mailto:rick.ervin@zf.com]
Sent: Friday, December 06, 2002 1:58 PM
To: 'ktaylo34@ford.com'
Subject: FW: ZF Batavia Rtmt

Hi Karen,
I'm sorry to bother you about this but I hope you understand I only do so because it is a very important issue. Len Sennish is the Human Resources Director for ZF. Could you please share his response with one of the specialists and tell me what I should do. I will fill out retirement papers for Ford in probably January if it looks as though I can retire April 1st and continue my employment with ZF.
Thanks for your help and involvement Karen.

Rick Ervin
Labor Relations Manager
ZF Batavia, LLC

-----Original Message-----

From: Sennish Len - NAO P-Batavia
Sent: Friday, December 06, 2002 10:21 AM
To: Ervin Rick - NAO P-Batavia
Subject: RE: ZF Batavia Rtmt

Rick - As I see it, you are already a ZF employee and by exercising your right to retire with Ford, you are merely concluding that relationship. As such, when you retire from Ford, your employment with ZFBA will not be affected. Let me know if you have questions.

Len Sennish
Director Human Resources
ZF Batavia, LLC
Phone: 513 . 732 . 4010
Cell: 513 . 200 . 0649
e-mail: len.sennish@zf.com

000264

-----Original Message-----

From: Ervin Rick - NAO P-Batavia
Sent: Wednesday, December 04, 2002 1:17 PM
To: Sennish Len - NAO P-Batavia
Subject: FW: ZF Batavia Rtmt

Len,
Please let me know your thoughts about this. I would love to retire and hire back with ZF the same day. Would that be doable? Then I could be a ZF employee not a transition employee.
Rick

-----Original Message-----

From: Taylor, Karen (K. E.) [mailto:ktaylo34@ford.com]
Sent: Tuesday, December 03, 2002 4:01 PM
To: Ervin, Rick (R. D.)
Subject: RE: ZF Batavia Rtmt

I'm saying that you do have to separate from Batavia in order to start your GRP benefit, but what they do after you retire would not be any business of Ford's.

Karen Taylor
HR-Associate-Retirement, Employee Records & Insurance
NESC
Fax: (313) 337-1200

-----Original Message-----

From: Ervin Rick - NAO P-Batavia [mailto:rick.ervin@zf.com]
Sent: Tuesday, December 03, 2002 2:11 PM
To: 'Taylor, Karen (K. E.)'
Subject: RE: ZF Batavia Rtmt

Hi Karen,
Thanks for the response but let me make sure I understand correctly.....April 1st I will have a combined Ford (26.5 years) and ZF (3.5 years)...30 years. That makes me eligible for a 30 and out Ford retirement (I don't think there's a problem with any of that)....but...on April 1st I can become a Ford retiree and start receiving my pension and I could continue to work for ZF...is that your understanding?? Or do I need to hire in as a new hire for ZF?

-----Original Message-----

000265

From: Taylor, Karen (K. E.) [mailto:ktaylo34@ford.com]
Sent: Tuesday, December 03, 2002 1:51 PM
To: Ervin, Rick (R. D.)
Subject: ZF Batavia Rtmt

Plan specialist got the information quicker than he expected: "If they retire from ZF - what happens after that is up to Batavia - not a problem with their GRP benefits." So, there you are! Thanks.

Karen Taylor
HR-Associate-Retirement, Employee Records & Insurance
NESC
Fax: (313) 337-1200

000266